

# Seizing the day

## How determined and decisive are Vietnamese entrepreneurs?

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Calvin Coolidge, the 30th president of the United States, said: "Nothing in this world can take the place of persistence. Talent will not - nothing is more common than unsuccessful men with talent. Genius will not - unrewarded genius is almost a proverb. Education will not - the world is full of educated derelicts. Persistence and determination alone are omnipotent." Albert Einstein also "confessed": "It's not that I'm so smart, it's just that I stay with problems longer." The most resilient of people understand the strategic power of perseverance in the tough race for success.

### SMALL OBSERVATION, BIG QUESTION

As shown in Markman, Baron and Balkin's study published in the Journal of Organizational Behavior in 2005, perseverance determines the length of endurance that one person will exhibit when faced with difficulties, in order to survive. It also informs their actions and directly influences the amount of effort they will make to achieve their goals. For entrepreneurs, perseverance helps them stand up again after falling down. Entrepreneurship mostly starts

from an idea, for a new product or service. An entrepreneur can only turn their initial inkling into something of value and start a business after having survived a long succession of challenges and errors with persistence. Determination, confidence, and resilience are therefore essential qualities for an entrepreneur.

Even though these conclusions are gaining support from worldwide evidence and are becoming essential understanding among the entrepreneurial community, it is not easy to reach affirmations helpful for the making of future policies through empirical observations in Vietnam. We have used a data set constructed from a direct survey of roughly 15,000 both existing and prospective entrepreneurs, conducted during the first quarter of 2015.

From a viewpoint that sees the entrepreneurial ecosystem as being a reservoir of energy for the national economy, the following statistics and analysis will provide some comment on two attributes in Vietnam's entrepreneurial community: their decisiveness in developing ideas and their determination in pursuing entrepreneurial success. These elements are also studied with respect to gender, so as to observe the differences in spirit between female and male entrepreneurs.

Figure 1. ENTREPRENEURS DISTRIBUTED BY GENDER AND PERSEVERANCE

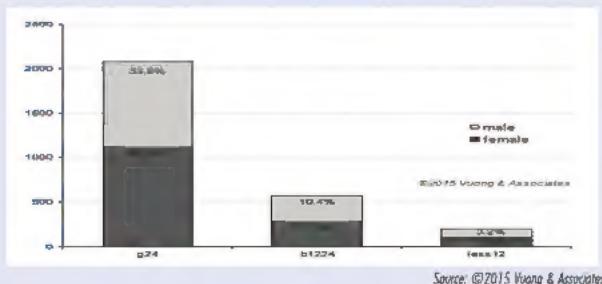


PHOTO: VIET TUAN

From 3,071 collected answers, 2,862 being eligible, the data set records the following information:

- Gender;
- Time anticipated for startup efforts; and,
- Planned moment for project/business establishment.

It is worth noting that, among the 2,862 prospective entrepreneurs, there are 650 males who plan to persist with entrepreneurship until they succeed and to start a business/project when conditions are favorable. Additionally, only nine females decided not to engage in entrepreneurship, and will only make an effort for up to 12 months if they ever took on a startup project.

In Figure 1, there is a rather large difference in height between the column representing entrepreneurs who value their perseverance and columns representing those with a lesser degree of perseverance. From this observation, it can be inferred that a majority of Vietnamese entrepreneurs "anticipate" having to make an effort in entrepreneurship until they

succeed. More precisely, only 27 per cent plan to give themselves from one to two years to try and get a startup off the ground. Conversely, a major proportion (73 per cent) believe they will overcome challenges and pursue success until the very end.

Note that "tforstart" indicates the amount of time entrepreneurs are willing to spend to make efforts for entrepreneurship. Options in this category include: "less12" (under 12 months), "b1224" (from 12 to 24 months), and "g24" (from over 24 months to as long as it takes to succeed). These symbols are used uniformly throughout tables and graphs in this report.

Compared to males, females seem to have a higher regard for perseverance. Thirty-nine per cent of female entrepreneurs in the study claim they will continue to make an effort until they find success, compared to 34 per cent of males. This result is in keeping with the qualities commonly attributed to Vietnamese women: patience and resilience.

Figure 2. MALE DECISIONS ON ENTREPRENEURSHIP IN RELATION TO TIME ANTICIPATED FOR STARTUP EFFORT

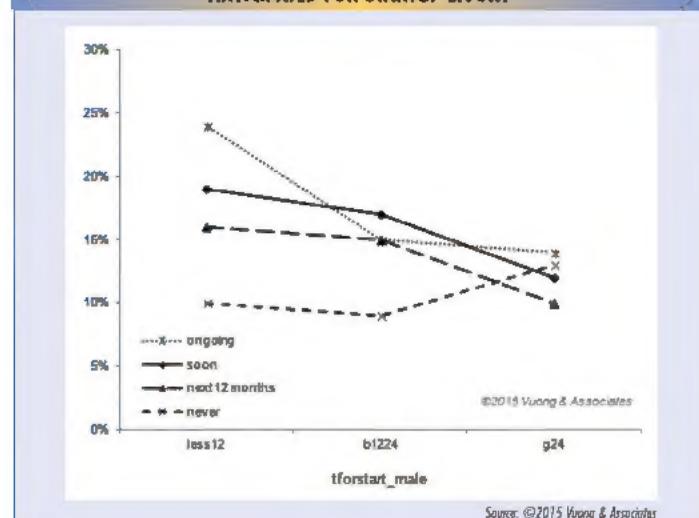
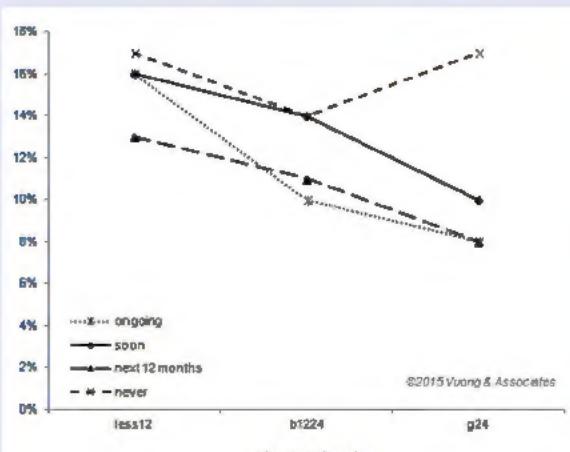


Figure 3. FEMALE DECISIONS ON STARTING A BUSINESS IN CONJUNCTION WITH DEGREE OF PERSEVERANCE



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However, most things are easier said than done and business is unlikely to be an exception to this old adage. The inevitable question is: When will the entrepreneur begin their project?

Table 1 presents the percentage of entrepreneurs by the time they anticipate spending on making an effort and the future moment when they plan to establish their business/project. According to the table, among those who would make an effort until they succeed - who are considered the most perseverant - nearly 15 per cent decide not to launch a startup. At the same time, a considerable 19.9 per cent of those who are only willing to spend up to 12 months making an effort (the least perseverant) are currently running a business/project.

Note that "Startplan" signifies the moment where entrepreneurs plan to start their business/project. Options in this category include "Ongoing", "Soon", and "Next 12 months" (all self-explanatory), "Cond." (they will only start a business/project if they meet favorable conditions), and "Never" (self-explanatory). These notations are used uniformly throughout tables and graphs in this report.

However perseverant entrepreneurs may judge themselves, a majority will only establish their business/project when they meet favorable conditions (51.5 per cent). Moreover, those who decide to only establish their business/project in favorable conditions take up a considerable 54.3 per cent, even among the most perseverant. This means that for every 100 people who see themselves as determined and patient, 54 will wait for "favorable" conditions to put any idea into practice.

A relationship (and paradox) between the entrepreneurs' perseverance and determination and their decision of whether or not and when to start a business can be observed. To find a more meaningful answer, the following section provides a few estimated results.

#### SOME NEW EMPIRICAL EVIDENCE

Logistic regression analysis using categorical variables is performed to study the multi-category data collected, in order to estimate the mutual influence between the elements of gender, perseverance in pursuing success, and decision to engage in entrepreneurship. According to calculations, over 80 per cent of the estimates are statistically significant. This indicates that, for both male and female entrepreneurs, the level of perseverance they attribute to themselves has a significant impact on their decision to initiate their startup business/project. Probabilities for each concise case are presented in Table 2 below.

It is noteworthy that "57 per cent" stands out as the highest value in Table 2. This number signifies that out of 100 female entrepreneurs who will make an effort until they succeed, 57 will decide to start their business when conditions are deemed favorable. That being said, the analysis will not focus on this element, as most estimates for the probability of businesses starting according to favorable conditions are statistically insignificant.

#### AN UNEXPECTED ANSWER

The variation in male entrepreneurs' decision on when to start a business/project when the time anticipated for startup efforts

Table 1. PERCENTAGE OF ENTREPRENEURS BY PERSEVERANCE AND ANTICIPATED TIME

tforstart	Startplan				
	Ongoing	Soon	Next 12 months	Cond.	Never
less12	19.9	17.4	14.4	34.8	13.4
b1224	12.7	15.5	13.0	47.3	11.5
g24	10.8	11.1	8.9	54.3	14.9

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Table 2. PROPENSITY TO START BUSINESS/PROJECT BY GENDER AND TIME ANTICIPATED FOR STARTUP EFFORT

Startplan	Ongoing		Soon		Next 12 months		Cond.		Never	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
less12	0.24	0.16	0.19	0.16	0.16	0.13	0.31	0.38	0.10	0.17
b1224	0.15	0.10	0.17	0.14	0.15	0.11	0.44	0.51	0.09	0.14
g24	0.14	0.08	0.12	0.10	0.10	0.08	0.51	0.57	0.13	0.17

Data and computed values are provided by Vuong & Associates' research staff. The methodology and technical details are provided at <http://www.springerplus.com/content/4/1/529>

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changes is represented in Figure 2 (based on Table 2). A downward tendency is present in "Ongoing", "Soon" and "Next 12 months". It appears that the less perseverant the entrepreneurs think of themselves as being, the higher the chance they will establish a business/project in the near future. This either shows a contradictory understanding of the notion of "strategic patience" in a long-term entrepreneurial pursuit or reflects the dictum "the young plant bananas; the old plant custard apple trees".

Conversely, those with a greater perseverance have a rather low chance of being decisive in when they will start their business/project.

The result shows a remarkable paradox. Many entrepreneurs with a high level of determination tend to be less decisive when it comes to the moment when they will initiate their startup. In fact, they are inclined to wait until the conditions are sufficiently favorable. Nevertheless, considering the constantly changing nature of the business world, evaluating said "sufficiency" proves to be difficult, particularly for those who have yet to start a business. Even with the practical knowledge they could learn from community experience, which is by no means insignificant, it is very likely that by the time they initiate a project or a business these past experiences will have become more or less outdated.

It is not uncommon that an entrepreneur appears to have been determined to pursue their startup plan but this same person does not trust in their perseverance. Thus, questioning their chance of success is clearly reasonable. Take a tech startup as an example. When an entrepreneur is confident in his or

her capability of producing an "almost unlimited" range of products (we know that this is an illusion) he or she tends to abandon those encountering market difficulties. By that act he or she easily categorizes his or her past investment and effort as "sunk costs" only to wait for the next problem, and this is a well known as the "entrepreneurs' curse". Overconfidence in technical capabilities and self-evaluated productivity only exacerbate the problem and oftentimes lead to unfruitful effort in "inventing" things that create future burdens instead of values, while the value of perseverance is overlooked.

The tendency and properties of female entrepreneurial effort show some differences from those of their male counterparts. When time anticipated for startup effort increases, the chance of a prospective male entrepreneur not starting his business goes up by roughly 3 per cent, while that of a female goes down by 5 per cent. The evidence supports our understanding that females tend to be more persistent and subconsciously regard their perseverance as a strength and perhaps an important value.

We suggest that there is a lot that remains to be learned from the entrepreneurial community, and only when based on findings and insights can future decision making regarding developing the entrepreneurial spirit and sustained values become truly fruitful and beneficial. This is also true for the State's "interventions" - in case society needs them - and perhaps most preferably through advocating efficient policies to support entrepreneurship development processes.